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November 27, 1959

Mr. Stanley Metzger
Assistant Legal Advisor for
Economic Affairs
Department of State
Washington 25, D. C.

Dear Stan:

I refer to the question of heirless assets in Switzerland.

As you will recall, the problem goes back to the letter of May 25, 1946, in which the Head of the Swiss Delegation, which was then negotiating on the subject of German assets, etc. with American, British and French Delegations, stated that "my Government will examine sympathetically the question of seeking means whereby they might put at the disposal of the three Allied Governments, for the purpose of relief and rehabilitation, the proceeds of property found in Switzerland which belonged to victims of recent acts of violence of the late Government of Germany, who have died without heirs."

Since 1946, the subject has been discussed formally and informally on many levels and in many forums. The State Department Press Release of August 29, 1952 (No. 679) thus included a statement that: "The three Governments request that the Swiss Government will give sympathetic consideration to the application for the relief and rehabilitation of victims of Nazi acts, of assets of Nazi victims who died without heirs, in the event such assets should be found to exist in Switzerland. The Swiss Government expresses agreement with this request."

Although many indications of sympathy have been made over the course of the years, little has happened on this subject. In the Spring of 1959, however, the Swiss Federal Council accepted the proposal which had been presented to it in March of 1957 by Federal Councillor Huber with respect to passage of a special law concerning

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treatment of heirless assets. This proposal went beyond what was in fact accepted by the Swiss Government; but even the latter's position was that a special law ought be passed at least to determine the extent of the heirless asset problem.

In its 47th Annual Report for the year ending March 31, 1959, the Swiss Bankers' Association opposed enactment of any such law, on the ground that the situation was both minor and capable of being handled under existing legislation. As you know, 95% of the proceeds of heirless assets is allocable under the international agreements to Jewish victims. A number of Jewish charitable organizations, including those directly concerned with utilization of the proceeds, and including a number of American organizations, have recently taken a strong interest in this problem and have asked that I approach the Department in an effort to achieve a solution in the near future. This interest, at this time, stems not only from the probable importance of the problem (it seems likely that there are many millions of dollars of heirless assets in Switzerland) but also from the fact that for the first time a spontaneous movement in favor of a solution seems to exist within the Swiss Federal Council and the Swiss Administration.

On October 15, 1959, I addressed a letter relating to this problem to Mr. Dowling who had then just been appointed as Assistant Secretary of State for European Affairs. The Department, pursuant to the request contained in that letter, notified the American Embassy in Berne of my interest and on October 30, 1959, I had a most useful discussion with Mr. Blumberg, the Chief of the Political Section of the American Embassy in Berne. I also had the opportunity to discuss the matter while I was in Berne with Mr. Paul Blanc, Financial Counselor of the French Embassy there.

It appears to me that the opportunity is now available for the long delayed solution to the heirless property problem. The opposition of the banks is, I believe, based on certain misconceptions, some of which I wought to dissipate in a lengthy conversation on November 2, 1959 with a prominent member of the Swiss Bankers' Association, Mr. Reinhardt of the Credit Suisse. It would appear therefore, that the present would be an appropriate time for the United States, France and Britain, basing themselves upon the obligations to them undertaken by the Swiss Government in its letter of May 25, 1946 and on the subsequent exchange of 1952, to approach the Swiss Government and urge that steps be taken to resolve this long outstanding issue.

Specifically, I urge that the Department of State

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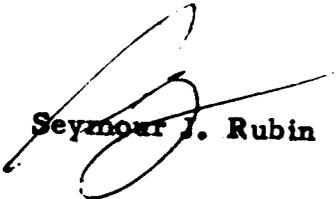
communicate a view that this step would be desirable to the British and the French Governments in the hope that a coordinated approach to the Swiss Government could be delivered in the next month or so.

I need hardly say that the interested organizations will be glad to do whatever can be done to assist in this endeavor. It may well be that, eventually, a meeting would be necessary in which the views of the organizations, the Swiss Government and the Allies could be coordinated. This, however, is perhaps looking a little too far into the future.

I, of course, am available at any time for consultation with the Department.

Finally, I have directed this letter to the office of the Assistant Legal Advisor for Economic Affairs in view of its familiarity and participation over a long period of time in the problems of the so-called "Washington Accord". Two copies of this letter are being sent simultaneously to the Acting Assistant Secretary for European Affairs, Mr. Foy D. Kohler, and Mr. Philip Chadbourn on the Swiss Desk.

Sincerely yours,



Seymour J. Rubin

SJR:jk

cc: Mr. Foy D. Kohler
Mr. Philip Chadbourn